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PROCEEDINGS

of the
SELECT COMMITTEE APPOINTED BY THE LEGISLATURE
OF THE PROVINCE OF ONTARIO, TO ENQUIRE INTO
AND REVIEW THE CEMETERY ACT AND REGULATIONS
MADE THEREUNDER.

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Mr. J. N. Allan, Chairman, Presiding.

Mr. John Scott, Secretary.

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VOLUME XII

Wednesday, January 20, 1954.

Toronto, Ontario.

(Mrs) J. A. Wilde,
Official Reporter,
Parliament Buildings,
Toronto, Ontario.

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T W E L F T H D A Y

Toronto, Ontario
Wednesday, January 20, 1954.
10:30 o'clock a.m.

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The further proceedings of this Committee
reconvened pursuant to adjournment.

PRESENT:

Mr. J. N. Allan, Chairman,
 Presiding.

Messrs. Hall

Root

Whitney

Thomas (Ontario)

Sandercock

Hanna

Allen (Middlesex South)

Gordon

Mr. John Scott, Secretary.

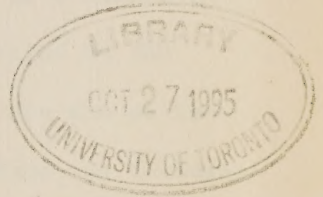
Dr. A. E. Berry, Adviser to the Committee
 from Department of Health,

Mr. Walker, Counsel for the Committee.

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APPEARANCES:

Mr. Alex Miller, Manager, Canadian Association
 of Advertising Agencies



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Mr. L. W. Dunstall, General Manager, Life
Underwriters Association
of Canada

Mr. Russell Freeman, London Life

Mr. Frank D. Tolchard,

Mr. John A. Tuck, Associate General Counsel,
Canadian Life Insurance
Officers Association.

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THE CHAIRMAN: Gentlemen, I will give you
an explanation of our problem. This is a Cemetery
Committee which was appointed last session by the
Legislature. Our terms of reference are the state-
ment of what we are supposed to undertake, as follows:

"Ordered, That a Select Committee of
this House be appointed to inquire into and
review,

1. The Cemeteries Act and the regulations made
thereunder and more particularly

(a) the creation, investment, and supervision
of funds for the perpetual care of
cemeteries, cemetery plots, monuments and
other cemetery facilities,

(b) the methods of selling cemetery plots,
tombs and other cemetery facilities and
services;

"2. The methods of caring for cemeteries so as to prevent neglect, with a view to recommending improvements in the legislation of this Legislature which is in force in this Province."

We have visited a number of cities. We have had quite a number of sittings and have had wonderful co-operation. What I say to you is something about which I am going to be very frank, which is, the Committee, in considering what we are likely to report, have come to some decisions. I know you gentlemen are of the type who will not pass this information along to the Press, and what I will tell will be in strict confidence.

We have generally come to this conclusion so far as non-profit cemeteries are concerned: church cemeteries, the greater number of which are conducted by the Roman Catholic Church - and by and large they are endeavouring to do a good job - I think we will work out a plan as far as they are concerned which will finally be satisfactory to the persons who use the cemetery and to the Roman Catholic Church.

There are a great number of cemeteries, many of which are in bad shape, many of which are almost filled up, and we are not going to make recommendations

which will interfere too much with the operation of those cemeteries. We will do something to try to improve them, but we are not going to make regulations that will be very drastic, because a great number of the trustees and boards who handle the small cemeteries, would be scared to death of drastic regulations. In our opinion we feel many of them have done a good job, and although cemeteries are not what we would like them to be in all cases, we hope to improve them in some way.

Regarding municipally owned cemeteries, we have found by and large they are a very satisfactory type of cemetery. It is true that perpetual care funds have not been as well managed, in some instances, as they should have been. I hope I can tell you this Committee will make every effort possible to assure the care of the perpetual care funds in future, and in the establishment of any new cemetery, whether it is municipally owned, profit making, or any other kind, to have the perpetual care fund supervised well enough that there will be a fund to care for that cemetery so long as conditions continue **similar to what** they are now.

No one can foresee, or can be sure of what conditions will be one hundred years from now, but we

will be generous in our requirements of the money the cemeteries should set aside to assure the proper care and upkeep of the cemeteries in future.

The Committee members are well agreed on all that. We have no difficulties so far as that is concerned. The persons we have spoken to are agreeable to having regulations which are quite strict and generous in the amounts of money to be set aside, because it is the hope that these cemeteries will not eventually become burdens upon the municipalities. As cemeteries have developed, and cities have grown, we find there is no room in the cities for cemeteries. For instance, in the City of Toronto, if they establish a new cemetery it will be in one of the townships of York County. If that cemetery were abandoned finally, as the regulations are now, and it would likely continue in much the same way, the municipality is the final person to whom the cemeteries go when there is no one else.

Therefore, we are going to try to recommend a course which will prevent the return to the municipality as a charge, any of the new cemeteries which are begun. One of the problems we have found from the very beginning was regarding the Memorial Garden type of cemetery. Memorial Gardens have about twelve

cemeteries in this Province.

The president of the Dominion company, which is The Memorial Gardens Limited, is an American, and I do not know how many of the board are, but they came in and organized individual companies, and each company opened one cemetery. We have a couple in Toronto, and a couple in Hamilton, one in London and one near Niagara Falls.

We have some other profit cemeteries which were organized by companies for gain as a business enterprise.

The basis of plan of organization of the Memorial Garden type of cemetery in selling was that they sold the lots before they were developed. They took a book of illustration and pictures and they called upon persons and was quite a strenuous selling organization.

Our opinion is that the Memorial Gardens group controls the others and determines the policy of selling. This high pressure has caused some criticism, and the Committee began to figure the amount of money Memorial Gardens were making out of an acre of land which they divided up. At that time, they were only paying 15% of the proceeds of the sale into the Perpetual Care Fund, and they still are. However, we

will have no difficulty in agreeing upon the amount of percentage of the sale which they should put into the Perpetual Care Fund, but there was a great deal of adverse public opinion to their operation.

Doctor Berry, whose responsibility it is to administer the Cemeteries Act, has had a great many complaints, and we have had persons up here before this Committee complaining about their methods of selling, which were high-pressure, there is no doubt about that.

Our Committee has considered this, and we have reached the stage now when our hearings are practically completed, and we are trying to come to a conclusion as to what recommendations we will make regarding these Memorial Gardens type cemeteries. I think I can say that the Committee -- I do not know what I should say to explain how I think the Committee think, but any kindness they have is particularly towards the people who have bought the lots in the cemeteries.

Some of the Committee feel there is no place in Ontario for profit cemeteries, and there is a section of the Committee which feels we should recommend there be no more permits for profit cemeteries. Other sections of the Committee feel that is too

drastic a step to take and it interferes too much with the rights of an individual as a citizen of the Province of Ontario, providing he conducts his business properly.

Then it came to this - and the Committee is almost evenly divided on this - after all our meetings, we find we are just where we started at the beginning.

One section of the Committee feels that Memorial Gardens, in order to complete their cemeteries, to finish selling the lots, can do that without personal solicitation. They have appeared before us, and they say they can not. They say the basis of their success as a selling organization is by personal solicitation. They do not want to call it "door-to-door selling". They claim they try to make an appointment, but I do not know whether that is entirely correct or not.

There is a part of the Committee who feel that with an adequate advertising campaign they could continue and make a success of the cemetery operations which they have begun. Another part of the Committee feels there would be the possibility if we made them stop their personal solicitations, that the cemetery would not continue to be developed and beautified. In that case, the persons who have already bought lots, and there are 75,000 persons who have bought lots according to their

statement, would find the cemetery would not be developed and be made the beautiful spot it could have been.

That is the problem the Committee have.

Mr. Miller, as an advertising man, I will ask you to give us your opinion.

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MR. MILLER: Your question is, would it be possible to handle this business, and finance this business, and carry on in a satisfactory manner without personal solicitation in selling?

There just is not any positive answer to that in any case. Advertising varies all the way from one extreme to another. If we draw a little oblong and take a diagonal from one corner to another, putting the commodity in this triangle (indicating) and the advertising in this triangle (indicating), roughly the function of advertising as a complete selling job, or near complete selling job, or percentage of the selling, depends to a large extent on the number of prospects and also on the price of the product.

In other words, if you have good display, for instance, in chewing gum, costing five cents, advertising is this much (indicating) of your job and

other factors like personal selling, and so on, are the rest of the job. But if you have a \$500,000 steam yacht and there are three prospects in the whole of the Dominion for that same yacht, it is quite obvious that it is a personal contact job. You could advertise until you were black in the face and waste \$5,000 and never sell the yacht, but if you saw the three prospects and told them the story, it would be a different thing.

I would say the cemetery business is very definitely in the middle somewhere. It is very unlikely that some form of personal selling would not be almost a necessity. I think that is it roughly.

THE CHAIRMAN: If I could interrupt you for a minute, I might have told you one other thing before your consideration of this; to give them a set up in their profit, in competing with municipally owned cemeteries, these lots likely are required to be more high priced and cost more than the lots in church or municipal cemeteries.

MR. MILLER: The people who buy church lots naturally go there because they have church affiliations and there is no great problem in picking up prospects, for instance.

I could imagine someone who is, let us say,

coming to this city and has his church affiliation, for instance, at Mount Pleasant, and it is adequate for him. However, there must be a great many people for whom that service is not adequate. For instance, the Catholic cemeteries, and so on.

I would think it goes beyond the selling question, and this again is perhaps within the scope of the question you have asked me regarding the absolute control of the thing. The way it is initially financed is important.

I do not think you will get anybody but very highly reputable people in the business if their own money is pledged, if sufficient capital is pledged and you could regulate it from that end.

Another angle I would suggest is this: I think there is a great lack of information in the hands of the people who have not actually faced the problem of going out and buying a lot. I have lived in this country for fifty years, and have a son and a daughter 35 and 36 years of age who have never come up against this problem. It is quite obvious I have not a lot, and I am only a few years from the time when someone will have to buy one for me. Even knowing who to approach to find out how to get one is a problem. All I know is that my wife's father and

mother have been buried in a lot my grandfather had over here at the end of Wellesley Street. Whether there are any more plots there, I do not know. That would be the first place I would go for advice, and I suppose what I should do is settle the whole thing now, but how do you go about it?

I have talked with undertakers about their problems and I think that the people who are not fore-minded - and very few people are - do not have any thought of death, and do not think of anything that has to do with that, until they are up against the actual necessity when they go to an undertaker, and, on the whole, there they find good guidance.

However, that is one thing I think which should be done. Any undertaking establishment should not have an affiliation with a profit cemetery.

THE CHAIRMAN: They have not. As a matter of fact, a situation arises there, because the undertakers are scared to death of the profit cemeteries. The reason for that is because in the United States, the profit cemeteries have become undertakers. In Forest Lawn Cemetery in Los Angeles, which is a very large cemetery, there is every service.

If you lose a friend, you just get in contact with them, and the chapel and flowers are all in

the cemetery. Of course, the undertakers know that.

It does seem to me to have a little bearing on the whole thing. As you mention, if someone in your family died you might ask him as to which was a nice cemetery, and he would not recommend one of those. They are very definitely out of the range of the undertaker. He works with the old-established cemeteries.

MR. MILLER: The upshot of this thing in summarizing the answer is that while anybody can see great possibilities of abuse in high pressure selling of this thing, I do not think they are moving things there. It is something like the old days of high pressure stock selling which is, fortunately, under control now. Remember the days of 1928, 1929 and 1930, at the time of the boom. That has been regulated out of existence, and you cannot do that kind of selling any more.

I can see great possibilities of abuse, and yet I do not think anybody can give you categorically the answer that advertising could do the whole job.

For instance, suppose you were selling an automobile and you advertised that automobile and spent \$10 million advertising it and you have no

dealers, you will not sell the automobile. But you will certainly take the "cold turkey" and prepare the ground for the selling.

The question of ethics in advertising, it is watched closely by the Better Business Bureau, and our conference in Montreal has formed a committee who are concerned about this matter, but we do not think it is a major problem. There are some local advertising abuses, but these are being cleaned up and I do not think making laws is the answer.

I think the answer is the newspapers, for instance, which have done a wonderful job in publishing this thing.

In the United States, they have a committee whereby anybody who objects can go to the committee, and the committee tells them they have been objected to and they clean it up.

As far as ethical advertising is concerned, that is my opinion and I do not think I can add anything to it.

THE CHAIRMAN: Are there any questions?

I just want to say that Mr. Freeman has very kindly come up and he has to leave at 11:30, so that if you care to ask Mr. Miller any questions, please confine them to about five minutes.

MR. THOMAS (Ontario): Mr. Miller mentioned that the only way would be by control of these profit making cemeteries. How far would you go?

MR. MILLER: I meant, control of the financial set-up which you do in the case of all companies, to a certain extent, but particularly to financial companies.

MR. THOMAS (Ontario): Would you extend that control to the prices charged per plot?

MR. MILLER: I doubt if that is the answer. I think if the people have their own stake in the thing and if it is big enough, instead of being a "fly by night" operator, who has nothing but a desk and some salesmen and has no stake in the thing to start with, he makes that as he goes along and it falls on its own feet. However, when his own money and financial existence is at stake - because it is to a sufficient extent - he is a clean operator and he has to be honest, because he is depending on the public's goodwill which is the very thing you are talking about.

My experience in advertising has been that I have seen so many who have gone by the board, who were not soundly based on ethical operations. That

is still the best basis. You can build a fortune on crookedness, but try to build an institution on crookedness and see where you get. You cannot do it.

The implication is, if a thing has carried on and done a good job for a long period of time, there must be something sound about it, and I would look to that in the cemetery proposition, reinforce it, and prevent abuses.

THE CHAIRMAN: I might tell you there was some thought given to the establishment of possibly a three-man board. It has not been finalized at all, but the thought was this board would pass upon everything and would powers that were real. If they decided no new cemetery would be established, it would not be established.

You maybe acquainted with the Milk Control Board, but they have that authority so far as dairies are concerned. We cannot take away a licence because once it becomes a cemetery, our method of cleaning it up is not to take it out of business. We have to keep it in business.

MR. MILLER: A real estate man to-day has a new subdivision. He cannot go out any longer and sell "moonshine". He has to sell a plan and a site. I would say definitely what should be done by

regulation is stop the type of cemetery where they go out and sell "moonshine", and put a down payment on a piece of land where there has been no preparation or previous work. There has been no primary investment in the job and they hope they will get enough "suckers" to finance the thing as it goes along. That is unsound, and it should be stopped. A thing of this sort would not be permitted any longer in a real estate business.

MR. GORDON: These salesmen who go to the people who are interested in buying them usually have some beautiful pictures of away down in the United States or at London, and the people actually think they are buying something like that picture. If they go out and see it, they find they have bought a piece of land in a field.

MR. MILLER: That type of business is not proper.

THE CHAIRMAN: Mr. Miller, we are certainly grateful to you for your thought and your judgment, and we do appreciate your coming here. There are a great many good citizens still in the Province, and we were in need of some help such as you have brought with you.

Thank you very much.

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MR. TUCK: I am with the Canadian Life Insurance Officers Association. The Secretary of your Committee wrote to Mr. Gill, President of the Canada Life, saying you would like to have someone here who could tell something about the sales methods in the life insurance business. Mr. Gill thought it was an institutional matter and passed it over to our Association and the Life Underwriters Association.

Mr. Dunstall, the General Manager of the Life Underwriters Association of Canada, is quite familiar with the way life insurance companies are licensed by the government, and the way they sell insurance.

Mr. Freeman, the Branch Manager in Toronto for the London Life, is here. He has to leave shortly, and we appreciate your kindness in letting him speak now.

THE CHAIRMAN: We will do that. May I say we are interested in what you have mentioned, because if it should be this Committee should decide we are going to permit the continuance of personal solicitation, we must regulate that very stringently, and your suggestion along that line are just exactly what we wanted.

Also, we do want as an individual, as a sales

expert which Mr. Freeman is, his opinion of whether or not these cemetery lots can continue to be sold without personal solicitation.

MR. FREEMAN: I would not care to make any definite statements on the particular operation of cemeteries. I would like to deal with the operation we have in selling life insurance.

I am with the Industrial Department of ^{the} London Life Insurance Company which is a combination company which sells ordinary life insurance and debit insurance. Debit insurance is often known as "industrial insurance", where we call in the home every two weeks, or once a month, to collect premiums that otherwise would not be sold unless we did make a personal solicitation.

It would seem to me, however, it would be highly desirable if every person did prepare for the day he would die, and provided a cemetery lot, for the benefit of his friends and community and everything else.

However, in order to reach certain people who do not prepare in advance, who are never canvassed by anybody, we in turn have to make personal solicitation at homes to arrange interviews to see people who are in office jobs, and do not have, for instance, a private office where they could discuss life insurance

at that time.

In the selling of plots like this, as this gentleman explained here, there is a terrific opportunity for exploitation of the public which would seem to call for even a higher, or as high a class of salesmen as life insurance salesmen.

I do not think it would be too difficult to have certain standards which would have to be adhered to in the type of man, and supervision such as we have to-day, where there is a terrifically penalty if we over-step the mark, and some action is brought against us, and a great deal of coaching and ^{should} investigation/be given to men in the selling of cemetery lots.

I would be very happy to answer any questions you might ask about how we operate, but I would like to ask you a question, if I may.

When these men are selling these lots, is the price we have to pay the same as if I were to go to buy a lot. For instance, if my wife died - would the price be the same?

THE CHAIRMAN: In that particular cemetery.

MR. FREEMAN: It would not vary?

THE CHAIRMAN: It would not vary, as I understand it.

I might tell you one of the recommendations of this Committee will be that the tariff of lots must be posted and that it must be well known what every lot in the location of any cemetery is to avoid exploitation, just as you mentioned.

MR. FREEMAN: It would seem to me as a citizen, I would feel very badly if I were selling cemetery lots and someone said, "You cannot sell cemetery lots because of so-and-so", unless there is a good justifiable reason. Because it would appear to be an honest business and it would need very careful supervision, and if it were given careful scrutiny by the government and, perhaps, the Department of Insurance, I would not see any harm in it. But I think it is a situation which would need much supervision and study.

THE CHAIRMAN: Mr. Freeman, you sell policies which are funeral policies, do you not?

MR. FREEMAN: Shall we say, a "clean up fund".

THE CHAIRMAN: And you do sell them by personal solicitation?

MR. FREEMAN: That is right.

THE CHAIRMAN: There is no objection by the public to your method of selling, and yet you do

in the London Life and other companies in industrial life insurance, which are certainly virile institutions, you do have strenuous selling campaigns and your men work hard, but I have never heard any complaints of the approach of these insurance people who call at the homes, and call at night and collect money.

In every city we have these men who are very hardworking men and who do a service for most of the people who buy that insurance, a very great service, and we find there is this comparison. I am not trying to pry into the insurance business but I would think when you collect money each week, your premium would have to be a little higher than on a policy which is paid once a year.

MR. FREEMAN: That is right.

THE CHAIRMAN: And there is no objection to that. Therefore the fact that these lots are a little more expensive and someone has been sold on a pre-need basis, and when the time comes they have a lot, I do not think they can complain because it has been sold for a little more money than it would be if it were bought from a church.

I think the complaint has come from the method of selling. These pictures, which help sell the lot, are not from the cemetery and I think that

could be remedied by legislation saying if you use a picture, you must use the picture of the cemetery in which you are selling the lot.

MR. FREEMAN: I can understand that. I imagine complaints are coming from people whose emotions can be excited to a point where they do something on the spur of the moment. They are the same people who complain more than the intelligent type, such as Mr. Dunstall, who listens to the story and he does not buy it. I do not think he would buy it because he would be shrewd enough to look into it very carefully, but because it is new and because it has come in a big way, I think it is only natural.

THE CHAIRMAN: Do you think this would have a bearing on it; when you sell insurance to a person, they accept it. They become used to it, but of course when you sell a policy and they agree to pay so much a week, if at the end of a month or six weeks, someone decided he would not pay any more, you would not sue him.

MR. FREEMAN: That is right.

THE CHAIRMAN: They immediately threaten them with suit. If a person pays \$10.00 down on a lot, they threaten suit. We had a complaint this week from a person who was willing to lose his \$10.00

and he wanted to stop. He was threatened they were going to sue him for the completion of the contract. They did sign the contract, and I think perhaps that is where the trouble lies. You have no compulsion, yours is all persuasion.

MR. TUCK: There is no legal obligation to pay a premium.

MR. FREEMAN: If they do not pay, it automatically lapses.

THE CHAIRMAN: If we had some plan where the cemetery did not completely unload that lot on the first sale, it might help. Supposing a person leaves the city, or perhaps a person buys a policy and at the end of 5 years he decided he does not want that, you offer him a settlement and you publish that at the time he settles it.

MR. TUCK: There would be no reason why the person could not sell it to someone else, would there?

MR. FREEMAN: There is one other aspect to it, too; I think they should be licenced and if the salary were paid instead of a commission, it would help as well, but it would be difficult as a citizen, "We will not allow you to see it. We will not allow you to go out and solicit them."

THE CHAIRMAN: As a citizen of Ontario, how does it affect you, the fact that these are cemetery plots? Does that convey to you any particular sacred thing that is being sold? Would you object to that?

MR. FREEMAN: No, I think perhaps someone would probably help me to do the thing I intend to do some day, but providing the man was a gentleman and did not stretch the truth, I would be quite interested.

MR. ALLEN (Middlesex South): It is much the same as selling life insurance.

THE CHAIRMAN: You are a good citizen, and after all it is hoped legislation appeals to good citizens.

MR. FREEMAN: In answer to that question, I would certainly say that I would not find any objection to a man coming from the sacred standpoint at all. It would not bother me, but I think you will get complaints anyway, because the thing you are talking about is being sold to highly emotional people and it would have to be done on a more dignified selling method than some of these men are using, but it is a question of setting standards.

THE CHAIRMAN: It seems to me if the

compulsion of completing the contract was taken away --

MR. FREEMAN: May I ask this: if they pay a \$10.00 deposit and wish to change their minds, they cannot do that, and they have to go through with it or they will be sued.

THE CHAIRMAN: I do not think they have yet.

MR. FREEMAN: Does it not boil down to the fact of changing the contract and supervising that?

THE CHAIRMAN: Yes. We had Doctor Cockburn before us. Maybe some of you know him. He is an Irishman and he has a temper. His son had been sold one of the lots and paid a deposit on it and he came up to complain about their methods. He said, "I just said to my son, 'Stop payment on that cheque and let them sue you' and they did not sue us".

MR. GORDON: These abuses all seem to center around Toronto and St. Catharines. In Brantford where we have municipal cemeteries, there is no trouble at all and no salesmen. When people die, they are taken care of, and they have found no necessity for sending salesmen out to sell cemetery lots.

MR. FREEMAN: What justification have they to stop a man selling a legitimate product? I would

like to ask if they would like to buy a lot in one of the empty fields, or do they want the finished article?

MR. FREEMAN: It boils down again to making sure the people get fair value for what they are buying.

THE CHAIRMAN: There is no doubt about the necessity of that, and the value of that, but is that enough?

MR. HANNA: That is what the people objected to. No wonder they want to back out of the deal. They look at an empty lot, and of course they object.

MR. WHITNEY: There is the question of the matter of the public service, whether it is right and proper that some of our older cemeteries should not be protected to a certain extent at least, so that this new type of cemetery starting out with no back debts or old-type graves to maintain, is not going to force the older cemeteries to go out of business.

Some of them are handled by the church and some of them are handled by trustees, such as the Toronto General Burying Grounds, and a great many of them are handled by local bodies. Of course, they have that to contend with, the fact that the funds which were provided

years ago are far from adequate to maintain the cemetery at the present time.

As a Committee we are concerned with this. We do not want any more cemeteries abandoned, any more than can possibly be avoided, and we would like to see all cemeteries continuing to pay their own way insofar as can be done. We want to encourage that and we would hate to see any more cemeteries becoming abandoned and falling back on the municipality in which they are located.

MR. FREEMAN: I find you are dealing with figures again and I would like to get back to the principle that because my business does not go along so well because someone is more aggressive, nobody can come along and put in a law saying we cannot sell. There should be other ways and means of subsidizing, if necessary, because we run into that in every type of business.

MR. ALLEN (Middlesex South): Competition!

MR. FREEMAN: That is right. I do not think I have made much contribution to this Committee but I appreciate being asked to come here.

THE CHAIRMAN: Thank you very much.

MR. TUCK: If you have any other questions on life insurance selling, licensing and so on,

Mr. Dunstall is still here, Mr. Chairman.

MR. ROOT: There is the thought in my mind all through this discussion that life insurance is something which has to be sold by various companies, whereas cemetery plots have to be bought, it seems to me.

That is why I am wondering, is the pre-need selling to be provided, and in the operations of the Memorial Gardens Cemeteries they are selling a contract in which, according to the evidence we have, there is no cemetery space until about eight months afterwards. Is that good to tie a man down like that?

MR. ALLEN (Middlesex South): Would you buy a plot like that without seeing it? I certainly would not.

THE CHAIRMAN: I think the Committee must go into that, and I think the Committee can probably solve that problem. These gentlemen have been so kind as to come up here this morning to give us their thoughts based upon a lifetime of experience in selling, and I think that is the thing which we are particularly anxious to get from them, whether or not cemetery lots - I was going to say "commodity" but I get into an argument the minute I say that, because it is considered by some not to be a commodity - but when the Memorial Gardens

group appeared before the Committee, as I mentioned before, and we asked them if it was possible to complete the sale of their cemetery plots by other means than personal solicitation, they said it was not.

The Committee are not agreed on that. There is a difference of opinion among the members of the Committee whether that is correct or not, and that is why we asked you, Mr. Freeman, knowing you have been in the selling field for so many years which although your particular type of selling is really not related, it is comparable.

MR. TUCK: Did not Mr. Freeman's evidence, Mr. Chairman, amount to this: this Committee has to decide whether it is socially desirable to encourage the pre-sale of cemetery lots. That is a matter for you to decide, and if you decide it is advisable to encourage the pre-sale, then your next decision, it falls from that, if you permit commercial operations, Mr. Freeman says in that type of operation personal contact selling is essential.

Mr. Miller said he did not think, as an advertising expert, that advertising alone would do the job.

MR. WHITNEY: In Mr. Miller's case and in Mr. Freeman's case there was also one point which was

not brought out, and that was the fact that since no tomb stone was required in this cemetery, although the original plot cost more than it would have in our older-type cemeteries, nevertheless they do have the additional argument that the bronze marker and the cost of the plot would make the total cost less than if the burial took place in the older-type cemetery where they might feel there must be a tomb stone. The total overall cost would be much greater in that case, and for that reason that type of cemetery has an excellent sales argument which gives them a certain advantage from a competitive point of view over the older-type cemetery.

MR. TUCK: It seems to me that they fall into two categories, those things people need or will need, but they do not want, and things they do want but do not need. The first things people will not buy unless they are subject to personal solicitation. I have on two or three occasions gone with widows to cemeteries to buy a lot after death has occurred, and it is a rather terrible experience. I think it would be desirable if that were settled beforehand, and I see no objection at all to the pre-sale of the cemetery plots.

It seems to me in life insurance on every

premium which is paid, the law requires a certain proportion of that premium to be set by as a reserve. That is the law to take care of future obligations on that policy, and I see no reason why it should not be a requirement that a certain proportion of the selling price be set aside for perpetual care the same as a life insurance premium.

THE CHAIRMAN: I think I can prophesy it will be done, in the same way and on the same basis as your requirement. It will be considered sufficient. It will be enough and it maybe too much, but it will be enough.

MR. DUNSTALL: In the sale of securities, it is subject to the scrutiny of the government, and while the government supervises that, I see no reason again why the prospectus issued by the cemetery company should not be subject to the same scrutiny to be sure that company will fulfil the obligation it should, and it has the funds and it will carry them out.

THE CHAIRMAN: I think the Committee can make recommendations that will bring that about.

MR. DUNSTALL: It seems to me your biggest problem is misrepresentation. If the man is selling exactly as it should be, it is not misrepresentation. Again you have in various lines in the security field,

in life insurance, in real estate, the fact that these salesmen are licenced, and perhaps the cemetery salesmen should be licenced by the cemetery company.

THE CHAIRMAN: In the licensing of those salesmen, Mr. Dunstall, they are lincenced on the recommendation of the company, with references and that sort of thing and there has not been any difficulty, to speak of, of complaints about these salesmen.

MR. DUNSTALL: Certain complaints go into our association and we more or less have the law in that respect, and we have endeavoured to keep the standard of people in the life insurance business at a high level. We advocated the life insurance law 50 years ago, so that we would have some teeth into what we wanted to do.

THE CHAIRMAN: Your association is the policing body?

MR. DUNSTALL: We either settle the complaints with the companies concerned, and if we cannot do that, we take them to the Department of Insurance, and the question of the man's licence is then in question, whether he should continue to do business or not, but the fact that there is a licensing system, of course, has a psychological effect on a salesman.

THE CHAIRMAN: It has more than a psychological effect, has it not?

MR. DUNSTALL: Surely.

MR. TUCK: If he says more than he does, he will lose his licence.

MR. DUNSTALL: We immediately go to work on the complaints and the Insurance Department might call the man up and give him a "dressing down" under the threat of his licence being cancelled.

THE CHAIRMAN: I will not ask you whether there ever was a time in your operation when you felt there was a need of policing.

MR. DUNSTALL: Definitely. That is why our association was formed 50 years ago. There were enough people in the business who felt that way about it, and they wanted to do something about it.

THE CHAIRMAN: And the reputation you enjoy now has been brought about by your conduct of that operation?

MR. DUNSTALL: Yes, definitely, with the assistance of the Department of Insurance who have the licensing under their control. Of course, before a man can get a licence, he must get a bond, and the Department must be satisfied he is a fit and proper person to represent the life insurance business.

MR. HANNA: I think that is good advice he has given us, because I believe the salesmen should be

licenced, and there should be a committee of some kind to interview them and see that the right kind of salesman is engaged to sell the lots.

MR. ALLEN (Middlesex South): I think the government should make regulations and not single out anyone, but make regulations for all, the same as they do in the different companies, it is standard.

MR. DUNSTALL: On the subject of licensing, originally the licensing applied only to representative of bona fide insurance companies, and the representatives of fraternal societies were not licenced, and it is only within recent years that we have represented the fraternal societies on the same basis as life insurance companies.

That was put into effect within the last 10 years, and since that time there has been a great improvement on the conduct of fraternal societies from the point of view of their selling methods.

THE CHAIRMAN: There is no doubt about it, this Committee certainly can come to the conclusion that you are of the opinion that licensing does improve the methods of selling.

MR. DUNSTALL: It would seem to be necessary if there is evidence of abuse, if not, all right.

MR. THOMAS (Ontario): Are all your salesmen

on salary?

MR. DUNSTALL: No, practically all are on commission.

THE CHAIRMAN: Even in the length of my lifetime I have noticed a great difference in the selling of life insurance.

MR. DUNSTALL: Yes, everyone used to be selling insurance, persons who did not know anything about the policies they were selling, part-time representatives, and so on.

MR. HANNA: I think that is one important thing to be kept in mind.

MR. HALL: You are speaking, you might say, of insurance as a commercial commodity.

MR. DUNSTALL: Yes.

MR. HALL: Would you say cemetery plots would be a commercial commodity to be bought and sold, the same as a manufactured article?

MR. DUNSTALL: I see no reason why not, any more than any other piece of goods.

MR. HALL: You said, I believe, you would be in favour of pre-buying of the lots, before it was necessary.

MR. DUNSTALL: Personally, it is something I should have done a long time ago, and I have not done it yet.

MR. HALL: Under the operations of the Memorial Gardens at the present time, if you buy a lot you cannot sell it back again. Supposing you were a bank manager in a certain business and you might live here but the rest of your relatives might be in British Columbia. Would you want to have to transfer all those dead back again because you could not sell the plot back to the Memorial Gardens Association? I cannot see that.

MR. ALLEN (Middlesex South): We can regulate that.

MR. DUNSTALL: It is a matter of law that every life insurance policy must have a cash surrender value.

THE CHAIRMAN: That is why it might be possible to have such a scale. When you buy a life insurance policy and you do not want to pay on it any more, you know when you buy it how much you will get back. You may get back more than you were promised, but you will get back that much at least.

MR. TUCK: We call it a "non-forfeiture provision".

THE CHAIRMAN: That might be more useful in this set-up, because the reason a person is apt to use high-pressure selling methods is because once the

signature is on the line, the deal is all over and fully completed. If it is not fully completed, you must continue to have good-will.

MR. TUCK: This government has had a great deal of experience and has been a pioneer in the regulation of various types of selling where there appeared to be a public need for regulation, not only regarding the Insurance Act, the Real Estate licensing laws and the Securities Act and so on, but they have decided that the principle of encouraging pre-sale is socially desirable. You have all kinds of precedents on the regulations. No one Act would have provided all this, it would have to be adapted. However, there is a great deal of precedents in your Statutes.

MR. DUNSTALL: They would have to be licenced by the cemetery board.

MR. ROOT: In setting up the Perpetual Care Fund, we might guess wrong in some cases where there is high pressure selling.

MR. DUNSTALL: And after the cemetery is sold out you can do nothing about it.

MR. ROOT: And it goes back to the municipalities. One of the church groups mentioned this; if you sell as the need arises, you have something to sell and perhaps you should not adjust the price.

MR. TUCK: It should be possible to work out the percentage on the original cost which should be set aside for perpetual care. If you make that high enough, it does not matter when it is sold out.

MR. ROOT: We are in this difficulty now, because the people who started perpetual care did not guess high enough, when a dollar a day was a good wage. That is the trouble now. It is inflation, and inflation, if we have it in the next twenty-five years, as in the past twenty-five years, the cemeteries will fall back upon the taxpayers again.

THE CHAIRMAN: I think that really is quite easy, as a matter of fact, because if a lot is sold for a good price, any percentage which is set aside, is going to be high, too.

MR. ALLEN (Middlesex South): Lots have been sold too cheap in the past, almost given away, and all we can regulate is in the foreseeable future.

THE CHAIRMAN: The profit cemetery is bound to have more put into the permanent upkeep fund.

MR. ROOT: Your obligation ends in the last fifty years.

MR. DUNSTALL: I think the difference is in what we deliver, sir. One of our contracts may go on for longer than fifty years. A young man takes out

a contract at 20 and dies at 70. That accounts for 50 years. He leaves it in the form of income to his children, who live another 40 or 50 years, but we deliver dollars at the end.

Here, the perpetual care fund has to deliver service, and there is inflation.

THE CHAIRMAN: We certainly appreciate your coming here this morning.

Mr. Tolchard is here as a private citizen and I think he can give us the information we are seeking from listening to the discussion.

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MR. TOLCHARD: I am here as a private citizen and any views I express are my own personal views. They may or may not reflect the opinions of the groups with which I am associated.

It seems to me in this problem, you have a different proposition than insurance or any other commodity.

THE CHAIRMAN: I think perhaps I might mention to you so that you do not say anything you would not wish to appear in the Globe & Mail, that the Globe & Mail reporter is here. He is a very fine gentleman who treats everyone kindly, but I did not know if you knew he was here.

MR. TOLCHARD: I did not know. A person does not have to buy insurance. It is advisable, and I am convinced they should, to prepare for their years of retirement and for the welfare of their families, but everybody must have a cemetery lot.

It seems to me, as Mr. Miller pointed out, this province should control it at the beginning. I do not have any objection to selling in advance of need. In fact, I think it is desirable, but I do not see any need whatever for selling from house to house, or by telephone, or any of those high-pressure methods.

If you look at the funeral directors, they are under the jurisdiction of the Board of Examiners appointed by the Ontario Government. Every funeral director must get a license and every embalmer, whether he works for a funeral director or privately, is examined by the Board of Examiners.

The funeral directors' premises are examined by the Board of Examiners and they are required to keep up certain standards. I do not think there is a regulation which requires them to have a variety of cases, and so on, so that the public has a choice to make, depending upon the funds which they have available and can afford for it, but they are required to keep their premises and equipment in good shape.

They come under regulations as to municipal regulations, as to the prices they can charge for their equipment and so on. So you have a regulation in the public interest.

In my years of association with funeral directors and embalmers, and so on, I have never heard of any difficulty in obtaining a cemetery lot when it is required. There have been an increasing advance purchase of not only cemetery lots, but money deposited in advance to provide for funeral services, and that money is put in trust accounts and comes under the control of the Trustees Act.

The difficulty with the Memorial Gardens' operation has been that these people bought large tracts of land and have gone out on high-pressure selling to sell those lots, and in some instances, quite recently in Toronto, there have been lots which have been required much earlier than anticipated, as a result of sudden deaths, and the lots have not been available. The organization has endeavoured to have the burial take place in some other cemetery miles from where the owners of the lots wanted it. What usually happens is, when a death takes place, the first person they contact is the funeral director. I have never heard of any pressure being put upon the funeral director as to what cemetery the burial should take place in. Usually,

it means going to the cemetery in the area in which the people reside. They make a contact with the cemetery and arrangements are made, and between the death and the burial, there has been no difficulty that I have heard of, no substantial difficulty, in getting all the arrangements made with the cemetery so the burial can take place at the appointed time.

It seems to me there can be no objection -- and I cannot see any valid objection -- to allowing anybody to go into the cemetery business, any more than there is to being a funeral director. I think the Board of Examiners just take into account to some extent, the requirements, whether there are sufficient funeral directors in a community and whether any more are needed.

It seems to me in the matter of cemeteries, if anybody wishes to go into the operation of a cemetery, the first thing they should do is to apply to some central authority, such as the Department of Health, There should be a responsibility on that Department to go over the application and see if the person is in proper standing and so on. Like any other business, they should have sufficient capital to go and buy their property, just the same as they are required to have sufficient capital to put up a factory or to establish an insurance company. An insurance company has to have

sufficient capital to operate, and a bank has to have sufficient capital, and deposit certain bonds and so on before it goes into business.

I rather like your suggestion there should be some advisory body which could advise the Department, just the same as the Board of Examiners today advise regarding funeral directors and look over applications and determine whether there is a need for another cemetery in the community.

I think I can go farther there. I do not know how it could be done at the moment, but there should be some responsibility placed upon a body of that kind to see that municipalities are thinking far enough ahead so there would be sufficient accommodation available.

After that original application is approved, I think the company or individual should go out, complete the purchase of the property and develop it, or, at least, develop a section. While I would not say that the sales prices should be rigidly controlled, it does seem to me they should be controlled to a sufficient extent to see there is no undue profit to be obtained by that company that they will later sell off all their lots.

They should only be permitted to sell lots in the section which they have developed.

Therefore, when a prospect comes along and buys

a lot, right on the document of sale will be the specific plot he purchases, and he, or anyone else, can go and pick that out at any time. That has not been the situation in the past.

THE CHAIRMAN: No, it has not. It is not done, in fact.

MR. TOLCHARD: Then, after you have taken these measures, it may be as I stated, I think it is reasonable for people to make arrangements in advance of death. On the other hand, I understand in a number of these sales, the majority have been sold to young people who, under ordinary circumstances, will not require that lot for up to 40 years, and nobody knows where they will be 40 years from now.

That brings up the question of the re-sale of the lot if they do not need it. Linked up with the approval and proper capitalization, it seems to me one of the conditions should be an adequate amount of the selling price should be put into a perpetual care fund which could not be withdrawn by the cemetery operator except -- I know there is a difference of opinion, but the majority I think, think that the interest should be withdrawn to provide for the upkeep.

In my mind, I feel perhaps a proportion of the capital should be permitted to be withdrawn, but that

would be an actuarial problem to be worked out, approximately what amount would be required in the first instance, and how that should be spread out.

THE CHAIRMAN: If I could forecast the thoughts of this Committee, I think the Committee will make that amount large enough that the interest will be sufficient for the operation of the cemetery.

MR. TOLCHARD: So much the better, but my point is that should be a fund which cannot be withdrawn by the cemetery operator except the interest. The amount should be deposited and the interest only withdrawn, and he should produce evidence he has fulfilled the conditions for which the money was provided.

It seems to me if you have a set-up of that kind, cemetery operation is not going to be profitable for speculation purposes. It would not be speculative and the people will be protected, and you would have cemeteries available when you need them and so on.

I do not know what you are going to do. I think, in fairness, the Memorial Gardens, as far as I have been able to learn, in this province, once they have been established and have prepared their cemeteries, and so on, have done a pretty good job, and perhaps there are some pointers some of the regular cemeteries could take from them.

However, the difficulty I have seen in this development is the purchase of large tracts of land, and drawing on the advance payments to pay for the land. They have not capital and it is a question whether they will continue operating.

THE CHAIRMAN: Our great problem, Mr. Tolchard, -- and I do not know what the opinion of the Committee is -- there is a great deal of good sound judgment in what you have said I should say, but one of our problems is in connection with these cemeteries which are partly filled. It is a problem whether we should permit the house-to-house personal solicitation to continue.

I think I sense in the thinking of the Committee that a great many of them think as you have stated regarding the establishment of any new cemeteries.

MR. TOLCHARD: I think you have to keep in mind, Mr. Chairman and gentlemen, when you are dealing with death, whether death has actually taken place and you are making preparations for the burial, or whether you are considering preparation for the purchase of the lot, the emotions come into it. There is a great deal of sentiment, and it is entirely different from selling a commodity such as a brush, or a piece of real estate or anything like that. It has to be maintained. You have to maintain dignity, and the tendency is selling on

commission you find in nearly every line of business, the chap who is over-zealous, tends to play upon the emotions, and people do not use the best judgment possible.

Someone said, "What about trying to encourage people to buy in advance?". I think that is very desirable. In the United States, there is evidence the funeral directors were forced by the operation of this organization to go out and advertise on their own, whether it was co-operative advertising or separate advertising, pointing out they were quite prepared to provide through their local cemetery and so on, for the sale of lots in advance of need.

It seems to me there may be room for that, Advertising for many years was frowned upon and a great many funeral directors do no advertising, but the more progressive are doing advertising now, and in a dignified manner.

I would think probably the thing to do would be to encourage not only the funeral directors, but the cemeteries themselves, the cemeteries have done some advertising in the last year or so, and an educational campaign should be put on to let them know facilities are available, and are under proper control, and their needs would be taken care of.

THE CHAIRMAN: I think there is a great deal in

what you say. You heard what Mr. Miller said this morning, that he had always wanted to obtain a cemetery lot, but he did not know how to go about it. To have heard a statement like that from a man of his calibre does indicate that the old established cemeteries have missed a good thing in not endeavouring to sell some of these pre-need.

MR. HALL: The answer to that is, those who have operated cemeteries, never considered a cemetery lot as a commodity. It was a sacred piece of ground, and we never advertised to sell lots. I think in all fairness to the profit cemeteries of the Memorial Gardens type in Ontario, with very few exceptions, they were very decent people and we heard no complaints of profit cemeteries until the American high-pressure system came in, taking capital back to the United States and leaving the cemetery to be looked after by the municipality, where there was no upkeep left to do it. In Ontario, I do not think we are in a position to foster or help that sort of speculation from across the line, where the capital is all going back there.

THE CHAIRMAN: Because of your association with business generally throughout the years, as you know, these profit cemeteries have chartered letters patent to do certain things, and they were given those

by our Government, and were given that at a time when the Government knew exactly how they carried on their business.

Do you feel we would still be justified in making recommendations which would bring that business within a sound management and good methods, that is, controlling all those things, and we would not be creating any hardship, would we?

MR. TOLCHARD: No, I do not think you would. You are rendering a service to the public by protecting them, and I cannot see why there should be a hardship. I have read some of the charters and usually they state, "You are authorized to have a certain amount of capital" and so on. It seems to me they should at least be required to put a portion of the land they have in proper shape, and only sell those lots.

As I said before, it should be specifically stated on the bill of sale whether it is on the installment plan, and the lots should be sold specifically.

MR. ALLEN (Middlesex South): I agree with you.

MR. TOLCHARD: If they have not enough capital now, I do not know what to say, but it does seem to me they should be required to put their lots, or a portion of them, in proper shape, and be ready for burials if they are called upon over-night.

THE CHAIRMAN: That is very sound.

MR. ROOT: It does seem at present they take two years to develop.

MR. TOLCHARD: There is the other angle in the United States where they branch off, but there is no indication of that at the moment here, and I do not think it is desirable, because they are taking away from the public, the freedom of choice of caskets, and so on.

THE CHAIRMAN: You heard the discussion regarding the method of insurance selling, whereby a man, when he buys a policy, knows at the end of a certain number of years, how much cash he can get for the policy. Do you think it might do away with some of the high-pressure selling, or the tendency toward high-pressure selling, if there was a way that could be brought within the contract as there is in an insurance policy.

MR. TOLCHARD: It seems to me if a person buys a lot in a cemetery and finds he is going to move away from a municipality to a far distance, where there would be no use for it, the cemetery itself should take the lot back, at least at the cost which was paid for it.

MR. ALLEN (Middlesex South): At a little discount.

MR. TOLCHARD: No, I think you might allow the market value. I have no particular opinion on that,

but people at retirement age get the money with interest, and the people should get at least the money they put in.

THE CHAIRMAN: I think in some of the discussions we have had, it has been pointed out, similar to an insurance policy, whether it was profit or non-profit cemetery, there was some cost in the selling of the lot and that should be borne by the person who wishes to get the money back.

MR. TOLCHARD: There is a great deal of merit in that, but a contract of sale, like an insurance policy, should contain that. You know what your options are under certain conditions, and that should be specified.

THE CHAIRMAN: Do you think it would have a tendency to take away some of the temptation of high-pressure selling?

MR. TOLCHARD: I think it would, because there is no doubt representations have been made by some of the men, that they can sell the lot later at an increased value. It is a real estate proposition and not a cemetery lot.

THE CHAIRMAN: You do not think that should be permitted at all?

MR. TOLCHARD: No.

THE CHAIRMAN: You will find many agreeing with you on that.

MR. TOLCHARD: I think it is altogether against the sentiment in connection with death. I do not think you should introduce commercialism any more than you can help in cemetery lots.

MR. HANNA: It would create a better class of salesmen.

MR. TOLCHARD: Yes. As I say, I do not think you should send salesmen out at all. If you want to go into dignified advertising to sell the principle of advance sale, whether it be a funeral service or a cemetery lot, the people will go to the cemeteries and get it, the same as they go to department stores.

MR. ROOT: It is your suggestion there should be a certain amount of capital at the beginning of the operation, which would eliminate the need for salesmen?

MR. TOLCHARD: At least the regulations should make sure they have sufficient money to develop the property or a portion of it, so that when they do go to the public and sell, whether by salesmen or whatever method is used, that you get the lot and it is ready for use right away, and you get that particular lot.

MR. ROOT: I understood from the evidence they gave, that the reason they wanted pre-need selling was to get capital to develop their cemeteries.

MR. TOLCHARD: As I understand it, their method

is to pay the minimum amount they can to the original owner, then go out and sell, and get sufficient money to make payments on the property from the advance sales. In other words, there was no capital to bring with, and you cannot start any other kind of business that way.

THE CHAIRMAN: Are there any further questions?

MR. HANNA: You advise a Committee of some kind?

MR. TOLCHARD: I was rather taken with the Chairman's suggestion, just as you have a Board of Examiners of directors, you would have the situation, for a time at least, that would be helpful to any development. Whether it would be under the Department of Health or whatever Department it was, if there was a Cemetery Advisory Board to assist in carrying out any legislation, it would help to bring the whole cemetery situation down to a proper level.

THE CHAIRMAN: Do any of the members wish to ask Mr. Tolchard any further questions?

Before you go, Mr. Dunstall, I want to express the thanks of the Committee to everyone of you who have come up this morning. It has been very kind of you. We appreciate your coming here, and when you find the recommendations which the Committee present to the House, you will probably find some of the opinions you

have given included in them.

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---Whereupon the further proceedings of this Committee
adjourned until this afternoon at 2:15 p.m.

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A F T E R N O O N S E S S I O N

Toronto, Ontario,
January 20th, 1954,
2:15 O'clock, p.m.

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The further proceedings of this Committee reconvened pursuant to adjournment.

All parties present.

A P P E A R A N C E S :

Mr. Murray Bosley

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THE CHAIRMAN: Mr. Bosley has been kind enough to come up, and we want to keep him no longer than we need to. We are here by ourselves again, Mr. Bosley. This is not a closed meeting of the Committee, but when newspaper men are here, we cannot speak quite as frankly as when they are not here.

I mentioned to the gentlemen who were kind enough to come up this morning, and I do not know if you have followed our Committee, and its deliberations.

MR. BOSLEY: I have read a little in the newspaper, but I have not followed it with any particular interest.

THE CHAIRMAN: Briefly, our problem at the

present time, on which we are anxious to obtain your opinion, is in connection with the Memorial Garden type of cemetery, and particularly the Memorial Gardens, because of their method of selling.

A man by the name of "Williams" came over and organized and got a charter for Memorial Gardens of Canada Limited, a Federal charter. Then, a charter was obtained by the provincial Government in Ontario, for about twelve or thirteen of them, to each one for the operation of one particular cemetery.

Their plan was to buy a farm and very soon start to sell lots before there was anything done.

MR. BOSLEY: No capital investment?

THE CHAIRMAN: They did not need the capital, because it was procured from the persons who bought lots in the cemetery that was to be.

There has been a great deal of public reaction against it. However, they have about a dozen cemeteries started and in all stages of development, from about 5% up to 60% of the lots sold.

So we have our work pretty well organized, and we are agreed the sum of money will be put in the perpetual care fund, which will be looked after, especially with profit cemeteries, and it is my guess the Committee will recommend that should be placed in an irrevocable trust, and that money will never be in the hands of

the cemetery people. The only income which will come to them each year, will be the interest from that fund, and I think the Committee will be bold enough to make that share large enough that ⁱⁿall probability, in new cemeteries, or any partially-filled cemeteries, I think it is their thought, as soon as legislation permits, to recommend increased payments to the perpetual care fund.

With churches and municipalities, they will not be as strict in the control of the fund, but they will probably recommend there be audits each year, and they must not be touched, and they be trust funds, even if the church or the municipality looks after them.

We finally came to the place, in our Committee, where we feel these cemeteries which have already begun, should not be hurt. We must do something which prevents the development entirely of these cemeteries, because of the persons who have friends buried in them, and who own lots in them. There has been quite a difference of opinion as to whether or not they could sell the lots without personal solicitation. Some of the Committee think they can, and some of the Committee think they cannot. If they do require personal solicitation, we would like to get from you, any suggestions which you might have which would help them in the licensing and controlling of those salesmen.

MR. BOSLEY: I do not know anything about selling a lot in itself.

THE CHAIRMAN: You are in the real estate business?

MR. BOSLEY: Yes.

THE CHAIRMAN: We are thinking of your experience in the science of selling.

MR. BOSLEY: I suppose everybody is a prospect for a lot in a cemetery today, to which they have an added advantage over us, but I have not given any real thought to this. Surely the success or failure for them would ^{not} depend upon what I shall call "door-to-door canvass". I can hardly visualize the success depending upon that.

THE CHAIRMAN: Of course, I do not suppose you have seen these cemeteries?

MR. BOSLEY: I have seen one or two of them, but I do not know anything about them. I think I have driven by.

THE CHAIRMAN: Were they some which had been developed quite a bit?

MR. BOSLEY: No, the one I am thinking of, and I presume is part of this scheme, is around Don Mills Road.

THE CHAIRMAN: Glendale?

MR. BOSLEY: I do not know what the name of it is.

DOCTOR BERRY: There is one on the Kingston Road.

MR. BOSLEY: I know the one you mean, beside the Catholic cemetery?

DOCTOR BERRY: Yes. And one in Etobicoke Township.

MR. BOSLEY: Where is that?

DOCTOR BERRY: On Brown's Line.

MR. BOSLEY: On the old Malton Road?

THE CHAIRMAN: Yes, we looked it over.

MR. BOSLEY: I think there was one area set aside which looked as if nothing had been done, except to put up a sign at the wayside, but I think it was the Don Mills Road.

DOCTOR BERRY: I do not think there is any out there.

MR. BOSLEY: Of course, it does not seem to me that a cemetery is something which the public wants somebody to go out and sell. Perhaps I am a little too squeamish about it, but I do not know.

THE CHAIRMAN: You will get some support from some of the members of this Committee on that thinking.

MR. BOSLEY: It just seems to me there comes a time when you must face that problem, but to have it thrown in your face by some sort of a selling technique,

when it is the farthest thing from your mind, is not very palatable or pleasant.

MR. ALLEN (Middlesex South): Do you think you should buy a plot before you die, not after?

MR. BOSLEY: Yes, I appreciate that.

MR. ALLEN (Middlesex South): Think of those who follow.

MR. BOSLEY: On what basis is there an advantage offered to me or to my estate if I buy this plot? Suppose I buy sufficient for my family before I die. Is it sold on the basis that the price is going up?

THE CHAIRMAN: I think perhaps the salesman might tell you that. I do not know, but he might.

MR. BOSLEY: In other words, it is a bargain that you are getting if you buy one now, and the more people there are in the cemetery, the harder it is to get it.

DOCTOR BERRY: That was their original intention.

THE CHAIRMAN: They told us the last time they were before the Committee that in London, 50% of the lots were sold. They did not sell every lot in a row, and they did not sell all the lots in the section which was sold. They left lots. Doctor Berry, who administers the present Cemeteries Act, tells us they

have made application to have the prices of the lots raised in some of the attractive parts of the cemetery.

MR. BOSLEY: Do I understand that the price of the lots is subject to some control?

THE CHAIRMAN: Yes, it must be approved by the Department of Health, but the Department has not in the past objected much to the price of the plot itself. They have focused attention more on the services rendered.

Once you buy a lot in a cemetery, then the services you have to pay for, interment and foundations, etc., should be controlled, regardless of whether you buy in that cemetery or some other cemetery.

(Page 1285 follows)

MR. HALL: Or as to what price you pay.

DOCTOR BERRY: Regardless of what price you pay.

MR. BOSLEY: I suppose if you built up a fund for perpetual care to a substantial sum of money, if it is put in a trust fund, the income of that will be sufficient to provide the care?

THE CHAIRMAN: It grows up to a very large sum.

MR. BOSLEY: I have no knowledge of the figures.

THE CHAIRMAN: In all Toronto General Burying Grounds they have almost three million dollars.

MR. BOSLEY: That, of course, is a long established cemetery. It has taken a long time to arrive at that figure.

THE CHAIRMAN: Yes, but it does continue to grow. The big problem of the Committee at the present time concerns the selling of these plots. You have that feeling, but the majority of the men who appeared before the Committee this morning, did not see anything wrong with selling cemetery lots.

MR. BOSLEY: I do not see anything morally wrong with it, it just does not appeal to me,

that is all.

MR. GORDON: For instance, supposing a salesman came to you and you bought a plot from him and you lived until you were about 70. Your family is all married and have families of their own. They are not interested in your plot and they want their own family plot. Therefore you will have four graves you will not use, and that is what is happening.

THE CHAIRMAN: Even in other cemeteries.

MR. GORDON: Yes. So that is one of the difficulties of pre-need selling.

MR. BOSLEY: What is the advantage of owning a cemetery plot? I am not, at the moment, clear as to the advantages?

MR. ROOT: You know where you are going to be. The only reason I own a cemetery plot is that my grandfather owned it and I bought more space and got perpetual care on all of them.

MR. BOSLEY: Supposing it had not come to you that way. It is not a thing I have given any consideration to shopping for.

MR. ROOT: My brother has moved away, but it is mostly because of tradition.

MR. BOSLEY: We do not normally think of going out and buying a cemetery plot.

MR. ROOT: As an investment, it is not good. You never get any return.

MR. ALLEN (Middlesex South): I know of some bachelors who have bought a plot and put the date of their birth on it, and left a blank for their death.

MR. BOSLEY: But are they normal? I have come to the conclusion that a bachelor is an odd character anyway. I think as men it does us good if we have to "toady" to the women occasionally.

MR. ALLEN (Middlesex South): He thought he would like to have it taken care of after he has gone.

MR. HALL: Of course in the Memorial Gardens, they are pretty much the same all over. There may be some preferred plots in some of the other cemeteries which have natural landscaping and there are some nicer spots, and someone might want that particular location.

MR. BOSLEY: Is there any regulation regarding monuments? It seems to me monuments do not appear in the Kingston Road Cemetery.

THE CHAIRMAN: Memorial Gardens do not have any monuments above the ground. They have a bronze plaque.

MR. GORDON: They tell me that the majority of the people who buy the plots for the future are young people. These salesmen play on the young people, and say, "You are buying a house and insurance. You should prepare for when you pass on", and they try to sell them something they will not need for fifty years.

MR. BOSLEY: What are the prices involved, say for a plot of six graves? What is that sold for?

DOCTOR BERRY: About \$85.00 a grave.

MR. GORDON: You can get it cheaper in the established cemeteries.

MR. BOSLEY: Of course, established cemeteries are still adding to their perpetual care fund.

MR. GORDON: Yes.

THE CHAIRMAN: But they have no profit and no selling expense.

MR. GORDON: These people have their profits. In the first instance when you buy the plot, the salesman gets 25% of that price. The non-profit cemeteries do not have the selling costs. In some municipalities they do not have any profit cemeteries, at all.

MR. BOSLEY: I suppose it is going too far to say there should be no profit in that and face it, but we have undertakers and so on.

MR. GORDON: There are States in the Union, New York State and other States that will not allow profit cemeteries.

MR. BOSLEY: Yes, there is something to be said for it.

I am afraid you have not got a completely unbiased witness, Mr. Chairman. It is hard for me to detach myself on the subject.

THE CHAIRMAN: You feel that a cemetery lot --

MR. BOSLEY: Door-to-door selling, if that is what it is, is not something I would like to see.

MR. HALL: In your thinking, a plot in a cemetery is not like a commodity for sale. It is a sacred piece of land?

MR. BOSLEY: Yes.

MR. HALL: That is the way I look at it.

MR. BOSLEY: That is the way I look at it. Are these cemeteries consecrated in any way?

THE CHAIRMAN: Only the Roman Catholic, and perhaps the Jewish cemeteries.

MR. HALL: Memorial Gardens are not.

THE CHAIRMAN: No.

MR. BOSLEY: No Roman Catholic would be buried in one then.

THE CHAIRMAN: No.

MR. BOSLEY: From the operators point of view, if he says, "I cannot undertake to comply with the law unless I build up a fund quickly". Is that his argument?

THE CHAIRMAN: Regarding his argument, I do not think he said he could not comply with the law. We asked them if they could continue to develop the cemeteries without door-to-door salesmen, by advertising and any other methods, and they said no, they could not. There is no law, of course, now which prohibits it. They say they do not do door-to-door selling, they always know who they are going to call upon.

MR. BOSLEY: But it is personal selling.

THE CHAIRMAN: It is personal selling.

MR. BOSLEY: They do not wait for the public to come to them.

THE CHAIRMAN: No, they do not wait for the public to come to them. The size of their cemetery in some instances is very large, and I would imagine even in Ottawa we had an instance of a profit cemetery

and the other non-profit cemeteries, and the profit cemetery had been in operation for some time.

MR. ROOT: It was 25% sold. It started something like thirty or forty years ago.

THE CHAIRMAN: It had been sold, and he was worrying now the same as what you might call the "established cemeteries" are worrying now, that they will not sell their lots.

MR. BOSLEY: Of course, if you go and sell something at \$85.00 which is available to the public at \$50.00, it seems to me you have to take some steps which are a good deal more forceful and dynamic than the person offering it at half the price.

THE CHAIRMAN: That is their argument, and that is really the situation.

MR. WHITNEY: They do say due to the fact that the bronze markers are cheaper, and they sell them at a cost which is very low compared to an ordinary cemetery with a tomb stone, which is very high. There is no necessity of keeping up with the neighbours or anything like that, and the overall cost is cheaper. We have that fact in their argument.

I think you said in your last statement and you have indicated in everything you had said today, you cannot see why they need salesmen.

MR. BOSLEY: I can see on that basis certainly they have to do something the other people are not doing of a selling programme if they are going to make sales, because they are trying to sell a similar product at a much higher price.

MR. GORDON: And they have no money to develop the cemetery unless they sell them.

MR. BOSLEY: Is there any control on the number of cemeteries or the number of graves which are permitted in an area?

THE CHAIRMAN: There has not been, but there will be.

MR. BOSLEY: At the moment there is nothing to stop me going out and starting a cemetery.

THE CHAIRMAN: Providing the location is suitable and the local board of health says it is alright for you to have a cemetery.

MR. BOSLEY: If there is no relationship to existing cemeteries -

THE CHAIRMAN: That will probably be changed. It is possible this Committee will have quite a bit to do with the establishment of new cemeteries.

MR. BOSLEY: If I am trying to sell something at a higher price, and if there is no control

on the number of cemeteries, and if there is a sufficient profit in these new cemeteries, it seems to me the situation can get progressively worse.

THE CHAIRMAN: It would, if they continue to get approvals for new cemeteries.

MR. BOSLEY: Because you would have more and more competition and stronger and stronger selling tacticts.

THE CHAIRMAN: I think this Committee will probably stop that, that is if their recommendations are accepted, and every cemetery will have to be approved either by a board or something.

MR. BOSLEY: It seems to me in this situation competition is not something you would relish in this field, and it would seem to me that the regulations ought to have one eye focused on the foreseeable need in the area.

THE CHAIRMAN: It seems a strange thing that these people have been able to make money out of cemeteries, and nearly every other organization which has undertaken it has gone "broke".

MR. BOSLEY: It is a sign of the times.

THE CHAIRMAN: It could be.

MR. BOSLEY: They have not got to the point where their maintenance is the same as in the

Toronto General Burying Grounds, for instance. They are not required to spend the money these other people are required to spend. I am surmising that.

MR. SANDERCOCK: Their upkeep is not so great by reason of not having so many monuments.

MR. BOSLEY: Not having so many monuments, and not having so many graves.

THE CHAIRMAN: The sinking of the graves is the great expense in a cemetery. Wherever they have had a great many burials, as in Mount Hope, they truck soil in there by the truck load to go all over the section.

DOCTOR BERRY: Yes, that is one of the big problems, especially in wood boxes. Now they are using concrete.

THE CHAIRMAN: The other problem on which we would like your opinion is what you have done in your real estate transactions so far as licensing salesmen is concerned, and how it works out.

In the real estate business, I think it would be safe to say, there was a time when real estate was sold sight unseen.

MR. BOSLEY: And still is, in some cases.

THE CHAIRMAN: You do not hear so much about it.

MR. BOSLEY: You do not hear as much about it as we do. We are constantly studying the Act and studying various breaches of the Act, which are drawn to our attention, and when I say "our" I mean the Ontario Association of Real Estate Boards. We have very frequent discussions with Mr. Whitehead, and Mr. Tanton who is charged with administering the Act.

One of the things which we are working towards, we hope eventually we will get to the position where we can say to the government, "We have set up a system of education in our particular field, that we have firmly established a code of ethics in our particular field, that we think we can take a part in the licensing and make sure the people who get into this business are going to be a credit to it." We have not reached that stage yet, but we have made headway. One of the problems when the Act first came into force --

THE CHAIRMAN: How long ago would that be?

MR. BOSLEY: I think the first Act was in the middle 1930's, and the Act has been revised several times since. We have a nibble at it nearly every year, usually some minor aspect of it is changed.

As you probably know at the moment, all that is required of a salesman is that he should be able to get a bond of \$500.00 or a third party guarantee and that he should be hired by a licenced real estate broker. Inorder to get a licence as a broker you require a \$1,000.00 bond and you must have a decent character in the eyes of the Registrar, and you must pass an examination, both questions and answers to which are printed on the back of the Act.

It is the stiffening of that examination that is presently in the Act by the brokers, which we are working towards at the suggestion of the Registrar to make that examination more realistic, because at the moment the examination is fundamentally asking what the term "mortgage" means and what "tenant" means, and so on. I think the other part is the understanding of what the regulations in the Act are, apart from carrying on the real estate business.

We are working on something which the Registrar can use as an examination which will be more helpful to him in finding out whether this fellow does know enough to go out and sell his advice, or services, to the public in the real estate field.

THE CHAIRMAN: Have you found licencing has been a help?

MR. BOSLEY: Yes.

THE CHAIRMAN: And has it done much?

MR. BOSLEY: Yes, I think it is fair to say that it has. If it does not do anything but put him in a position that he will break the law without his licence, or he will lose his licence if he does something which he should not, it will help.

DOCTOR BERRY: If he misrepresents, he can lose his licence.

MR. BOSLEY: That is right. The Act has a great many specifications in it. It has a condition which gives the Registrar the right to cancel or suspend in some cases in which he believes it is not in the public interest, which right he has used.

THE CHAIRMAN: Do any other members of the Committee have any questions they would like to ask Mr. Bosley about licencing?

Does your association recommend the person for a licence?

MR. BOSLEY: No.

THE CHAIRMAN: It does not go through your association?

MR. BOSLEY: No. That is what we are hoping we will get to eventually, but we as an association have to sell ourselves to the government, that we are a

competent body to do that. By that I mean not competent purely in a sense that we can examine a man on his abilities, but competent that we would do the thing in a completely unbiased way.

THE CHAIRMAN: I think there are some boards that do work that way.

MR. BOSLEY: There are some boards in the country that do in the real estate field. In British Columbia they do it that way, and some in the United States do. However, I do not know of any other except British Columbia in this country.

THE CHAIRMAN: Representatives of the insurance field said this morning, they do a great deal of their own policing.

MR. BOSLEY: We do a great deal of policing which never gets to the attention of the Registrar. In Toronto, we have two committees which do nothing else but discipline their members. They may not be infractions of the law, they may be only infractions of our code of ethics, but we have two committees who deal with that.

One committee deals with nothing but ethics and the other committee is an arbitration committee, and it deals with a combination of ethics and dollars, if there are dollars involved. If there are no dollars involved, it is purely he has done something we think is outside our code of ethics, and we deal with that.

MR. ROOT: Are there any other penalties on real estate salesmen, in addition to cancelling or suspending their licences?

MR. BOSLEY: Not as a real estate man, as opposed to being a citizen, that I know of. In the Real Estate Board, if he **steps over the** line, we have the right to fine him and so on.

MR. THOMAS (Ontario): That is your own organization.

MR. BOSLEY: That is in our own organization. They either pay a fine or leave the organization. We have come to the point where those
/ who are in the

organization do not want to leave it. It is not purely because of ethics or reputation, it is partly because of dollars, because we have a system of sharing all our listings, and the people who are members of the organization get a great many more saleable properties because of their being members of the association.

THE CHAIRMAN: I think your problem of licensing would be very similar to the problem of licensing of cemetery salesmen.

MR. BOSLEY: There is almost a direct analogy to it. The part of the broker in the real estate business would probably be taken by the proprietor of the cemetery, and his salesmen would be in the same position as our salesmen.

THE CHAIRMAN: Yes. The hope was expressed by someone, if we had a Board, which acted as your central Board, although it would be a different Board, because it would probably be appointed by the Government -- it would occupy the same place as your executive body does, except that their decision would be final, and they could supervise cemeteries.

MR. BOSLEY: Yes, and they would act for the entire trade.

THE CHAIRMAN: Yes.

MR. BOSLEY: I presume that the Real Estate Act is a little bit different in that it was put out in the first place, at the request of the real estate trade. In other words, there were those in the trade who were not proud of some of their cohorts.

THE CHAIRMAN: There are some in the cemetery business who want to see this too.

MR. BOSLEY: Perhaps it is similar.

THE CHAIRMAN: It could be similar.

Are there any other questions any members would care to ask Mr. Bosley? I want to express the thanks of the Committee to you for being kind enough to come up here this afternoon. Our Committee has been sitting since during the summer quite regularly, and we must come to a decision soon.

MR. BOSLEY: It has been a great pleasure, and if I have been at all helpful, the time has been well spent.

THE CHAIRMAN: Thank you for coming up.

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---Whereupon the further proceedings of this Committee adjourned at 3:00 p.m.

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